

Victorian Budget 2024-25

VAADA Analysis

Key points

- The government will invest \$376.3m in AOD service delivery in 2024/25.
- \$58m will be expended on the new, four-year AOD Statewide Action Plan, including:
 - investment in increased outreach in the CBD;
 - grants for pharmacotherapy across Victoria;
 - a trial of hydromorphone as pharmacotherapy; and
 - a new virtual peer support service for people who use drugs.
- \$36.4m is allocated to AOD capital works to establish a new Health Hub at 244 Flinders St, Melbourne (former Yooralla building).
- The government has committed to establishing an AOD Strategy for Victoria, which VAADA called for in our pre-budget submission.
- The budget also increased investment in allied areas such as Domestic and Family Violence (\$211m/4 yrs.), Victoria's Drug Courts (\$87.4m/4 yrs.) and regulation of gambling and liquor (\$106.8m/4 yrs.).

VAADA's Take

- \$376.3m¹ represents an increase of only 1% for AOD service delivery – maintaining key programs and services but failing to address increasing community demand for AOD treatment and cost pressures experienced by service providers.
- The decision to scrap a planned Overdose Prevention Centre for Melbourne's CBD is a step backwards in the way we address the harms of drug use.
- VAADA shares the disappointment of people with lived and living experience that funding has not been allocated to the Consumer Leadership Agency (Our Agency). Our Agency remains a foundational element to transforming the Victorian mental health & wellbeing system.
- While the budget does include some investment in regional Victoria – such as the new AOD and MH hub @ Ballarat base Hospital and the residential rehabilitation service in Mildura – additional investment in rural and regional communities is critical, with enduring capacity and workforce issues persisting.
- While the 2024-25 budget represents the highest investment in AOD in Victoria on record, this is in the context of decades of chronic underfunding. The funding allocated will allow Victoria's AOD sector to continue to provide necessary, high-quality and compassionate care to Victorians experiencing AOD-related harm without addressing the broader system-

¹ Budget Paper no. 3, p. 132.

wide challenges the sector faces. VAADA hopes that the AOD Strategy will create a roadmap to address this.

What we've heard from members

- AOD agencies are experiencing continuing increases in the cost of doing business as a result of the increasing complexity of client needs and increasing service demand.
- Funding has not kept pace with service delivery costs with the new indexation formula for health and community services announced in 2023, yet to be seen by all services.
- Uncertainty remains about fixed-term funding that ends on June 30. This uncertainty is exacerbated by lags in confirming continuity for Commonwealth commissioned services.

What we asked for

VAADA's pre-budget submission highlighted the need for:

- Development of an Alcohol and Other Drugs Strategy for Victoria.
- Prioritise the implementation of an Overdose Prevention Centre in the Melbourne CBD and develop an implementation plan to increase access in other high-risk LGAs.
- Implement a drug checking and real-time public early warning system.
- Provide \$3m over four years to DanceWize to expand service capacity.
- Prioritise implementation of Recommendation 29 from the RCMHS to establish an independent Consumer Leadership Agency.
- Fund specialist and community-led AOD supports and programs for various under-served communities, including LGBTIQ+, Older people who use alcohol and other drugs, women and families, CALD communities, and First Nations people.

The fine print

*Statewide AOD Action Plan*²

- \$36.4m on new Health Hub at 244 Flinders Street (est. completion in 2027).³
- \$21.3m for increased outreach services in CBD and two other priority locations.
- \$9.4m on health and support services at the Hub, including \$2.9m for services at 69 Bourke Street.
- \$8.4m in grants to boost pharmacotherapy treatment for up to 1,500 people in 30 locations.
- \$7.2m trial of hydromorphone as a pharmacotherapy medication for 30 people (commencing in 2026).
- \$4.4m on twenty naloxone vending machines at NSP sites.
- \$3.1m trial of an overdose prevention helpline.
- \$1.2m for new care coordination program @ the Hub.

² Office of the Premier, Jacinta Allen, Press Release: 'Statewide Action Plan to Save Lives and Reduce Drug Harm'.

³ Budget paper no. 4, p. 63.

- \$0.9m on a Chief Addiction Advisor and development of a statewide strategy for Alcohol and Other Drugs.

Two new MH and AOD Hubs

- MH and AOD Hub at Northern Hospital (part of \$812m re-development - estimated completion in 2029).⁴
- MH and AOD Hub at Ballarat Base Hospitals (\$5.4m - estimated completion 2028).⁵

Victoria's Drug Courts

- \$87.4m over four years for Victoria's Drug Courts, including extension of Court Integrated Services Program (CISP) program.⁶

Investment in allied sectors

First Nations Health

- \$10.8m over four years for the Aboriginal Health in Aboriginal Hands initiative to strengthen cultural safety and support culture and kinship in health service delivery in public hospitals.
- \$1.6m for a one-year extension of the Aboriginal Metropolitan Ice Partnership.⁷

Mental Health

- Delayed rollout of Mental Health and Wellbeing Locals (only 15 of 50 in operation).⁸
- \$31.3m over 3 years on support and treatment for eating disorders.⁹
- \$15.8m over three years to deliver a new mental health graduate program to build mental health workforce capacity.¹⁰
- \$10m mental health capital renewal fund.¹¹

Liquor and Gambling

- \$106.8m over four years for monitoring and regulation of the racing, gambling and liquor industries, including operation of the Victorian Gambling and Casino Control Commission (VCCC) and Liquor Control Victoria (LCV).¹²

Community services

- The new "floating" indexation rate for community services introduced in the 2023-24 budget will continue. This will benefit many social and community sector organisations, including AOD agencies, however, the coverage across the sector remains to be seen.

⁴ Budget paper no. 4, p. 63.

⁵ Budget Paper no. 4, p. 63.

⁶ Budget Paper no. 3, p. 88.

⁷ Budget Paper no. 3, p. 3.

⁸ Mental Health Victoria, 'Media Release: Victorian 2024/25 Budget'.

⁹ Budget Paper no. 3, p. 46.

¹⁰ Budget Paper no. 3, p. 51.

¹¹ Budget Paper no. 4, p. 63.

¹² Budget paper no. 3, p. 160.

Family Violence

- \$211m allocated to family violence services, including for the *Respectful Relationships* program at some schools.

CALD communities

- \$5.2m over four years to support Victoria's African communities, including Project Sunrise – an alcohol and other drug outreach and education program.¹³

¹³ Budget Paper no. 3 p. 73.